



House Committee on Education & the Workforce

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News Update

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Opening Statement for House-Senate Pension Reform Conference

Rep. Howard P. "Buck" McKeon (R-CA)

Chairman, House Committee on Education & the Workforce

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Mr. Chairman, this conference has been a long time coming, and I am optimistic that the final measure we send to President Bush will be worth the wait. As far back as the late 1990s, the Education & the Workforce Committee sought new ways to expand the retirement security options for a changing American workforce. After the Enron and WorldCom collapses in 2001 and 2002, our committee advanced House legislation to strengthen disclosure rules and provide meaningful investment advice for millions of American workers who need it the most. And in 2004, the House Education & the Workforce began a series of hearings focused on the past, present, and future of the defined benefit pension system.

Late last year, those years of work and efforts of many culminated in the overwhelmingly bipartisan House passage of the *Pension Protection Act* – legislation that represents substantial and comprehensive reforms to our traditional pension system. I hope and believe that the momentum from that vote – and likewise an equally strong bipartisan vote on the Senate's pension reform measure – will carry over into our conference negotiations. My colleagues representing the Education & the Workforce Committee and I stand ready to finish the work we started years ago to ensure that our pension system is placed on a sound foundation for the future.

As we begin this conference, let's not lose sight of the reason we are here today. Our pension laws are outdated and – yes – broken. They no longer serve the interests of the millions of Americans who rely on them to protect their retirement security needs. Indeed, the rash of high-profile corporate bankruptcies and pension plan terminations over the past several years are a symptom of a larger problem. Too many employers and unions have negotiated benefits for employees and retirees on which they know they cannot follow through. And widespread pension underfunding has the potential to be a multi-billion dollar burden on American taxpayers as well. We cannot afford a simple restatement of the old rules. A comprehensive pension overhaul is needed to ensure the pension system remains viable.

Mr. Chairman, the pension laws on the books today were written for a 1970s economy with a 1970s workforce. Times have changed, but unfortunately, these laws have not. The new realities of a 21st Century economy require a new approach to retirement

security. Today, we begin the final steps to ensure that we take that new approach. I look forward to working with my colleagues from both sides of the Capitol and both sides of the aisle throughout this conference, and I am confident that we can send to the White House a balanced measure that represents a key victory for American workers, retirees, and taxpayers.

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